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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

04 March 2010

Scott Gebhardt  
Energy Program Specialist  
Bureau of Conservation, Economics, and Energy Planning  
Pennsylvania Public Utilities Commission

RE: **Policy Proposal Statement on Small Solar Generators and Solar AEC Credits**  
**M-2009-2140263**

Dear Mr. Gebhardt:

On behalf of the Commissioners of the Pennsylvania Public Utilities Commission, JMW, Inc., doing business as Solardelphia, hereby submits the following comments on the Proposed Policy Statement referred to above.

- 1.) We wish to make procurement of Solar AECs as easy and cost-effective as possible for the EDCs, to foster market growth and pricing transparency. For that reason, bilateral contracts between aggregators and EDCs is a better path toward that goal, compared to the alternative of bilateral contracts between the EDCs and the small solar generators. It is not reasonable to expect that EDCs can arrange bilateral agreements with hundreds or even thousands of small solar generators.
- 2.) The term "bilateral contract" should be defined in the context of Solar AEC credit trading, especially as regards credits sold forward in multi-year contracts.
- 3.) Solardelphia strongly supports a state-wide standard format, with standardized language and process, that can be modified with an Addendum for special circumstances, for all bilateral contracts involving forward sales (i.e. multi-year contracts) of Solar AEC credits.
- 4.) Any effort to require security deposits for solar generators under 15 kW would be highly detrimental to the development of a robust marketplace with active trading of high volumes of Solar AECs. For systems between 15 and 50 kW, a security deposit equal to no more than a few percent of the contracted amount should be authorized.
- 5.) The large majority of small solar generators with systems up to 15 kW are homeowners. Over the course of twenty years or even ten years, many changes occur to homeowners and their homes, including death, divorce, change of home ownership, extended unemployment, and natural disaster that destroy the home. Due to the high degree of long-term uncertainty

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6238 MECHANICSVILLE ROAD, CARVERSVILLE, PA 18913

Phone: 215 - 257 - 1718

Fax: 215 - 525 - 2734

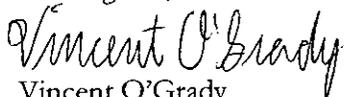
illustrated above, multi-year bilateral contracts involving small solar generators up to 15 kW should be limited to a maximum term of five years. The small solar generator owner would continue to have the ability enter into new five year contracts, on a rolling basis, as previous five year contracts expire. If the term is not limited to five years for small solar generators, then EDCs, investors and aggregators will have a strong disincentive to not enter into multi-year bilateral contracts with small solar generators.

- 6.) An issue not addressed in the PA PUC's Proposed Policy Statement is the issue of ownership of Solar AECs in the event that
- a. the solar array from which the solar AECs are derived is transported to another location (this could happen in particular with ground-mounted systems using a modular, mobile ballasting system.)
  - b. the homeowners get divorced and the rights to, or ownership of, an existing SREC forward contract is contested in court – something similar to this actually occurred in New Jersey.
  - c. the ownership and responsibility to deliver Solar AECs is not made clear, or not established, when a homeowner with a solar PV system sells his or her house to another party who has no knowledge of solar AECs and/or the existence of a bilateral forward contract for the Solar AECs that will be earned, or accrued, by the PV system at the property.

On an unrelated matter, we feel that the PA PUC and/or its sub-contractors are taking too long to issue generator ID numbers for small solar generators. Furthermore, when the generator ID numbers are finally established, we do not receive any notice of that fact. Instead, we have to continually check the website to see if a generator ID number has been issued.

Thank you for the opportunity to offer comments on the Proposed Policy Statement and your diligent efforts to remove barriers that are impeding development of Pennsylvania's solar market.

Best regards,



Vincent O'Grady  
Project Manager

4670 5000 11

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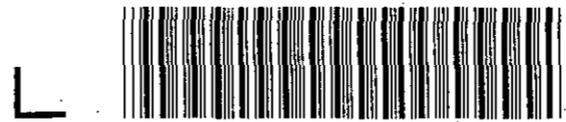
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